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Evaluation

Management response to the evaluation of the role of UNDP in the PRSP process

Summary

The evaluation of the role of UNDP in the PRSP process was presented to the Board at the annual session 2003. The present report contains the response of management to that evaluation and covers the issues of linking Poverty Reduction Strategy Papers (PRSPs) to the Millennium Development Goals (MDGs), and growth and democratic governance, respectively, to poverty reduction, and makes specific recommendations on enhancing the role of UNDP in the PRSP process.

Elements of a decision

The Executive Board may wish to encourage UNDP to:

(a) Engage more regularly with the World Bank at the working-level on the monitoring and policy implications of linking PRSPs to the MDGs, and work jointly in pilot countries to test the practical implications of linking the MDGs and PRSPs;

(b) Convene a task force of PRSP focal points from the Bureau for Development Policy, the regional bureaux and selected country offices to start developing a more coherent strategy for the role of UNDP in the PRSP process, using the principal findings of the evaluation as the starting point;

(c) Upgrade the technical capacities of UNDP for substantive engagement in the PRSP process at headquarters, sub-regional resources facilities and country offices, primarily by enhancing the capacity of senior economists and poverty specialists and through training and e-discussions on the monitoring, policy reform and governance dimensions of the process;

(d) Support, together with the World Bank, the International Development Evaluation Association in building evaluative capacities in PRSP countries, particularly the capacities of civil society to assess PRSP performance.

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1. The evaluation points up the need to strengthen UNDP support to the preparation of Poverty Reduction Strategy Papers (PRSPs) in several major ways. The recommendations in the elements of a decision include specific modifications to the approach taken by UNDP in light of the findings of the evaluation.

A. Linking PRSPs to the MDGs

2. Linking PRSPs to the Millennium Development Goals (MDGs) is the newest challenge faced by UNDP in supporting the PRSP process. It involves strengthening national capacities and institutions to (a) tailor MDG targets to national conditions; (b) monitor progress towards achieving the MDGs; and (c) reform PRSP policies to foster progress towards achieving the MDGs. National capacities encompass the ability of civil society organizations to conduct an informed and independent assessment of progress. CSO involvement must extend beyond their narrow role of 'social watchdog' and cover meaningful inputs into resource allocations, policy reforms and the setting of priorities.

3. Management agrees that the comparative advantage of UNDP lies in its ability to help governments establish coordinated monitoring systems for poverty and the MDGs – particularly at the local level – and supporting millennium development goals reports and national human development reports as tools for public advocacy and policy advocacy, respectively. The chief challenge for UNDP is to foster the coordinated monitoring of MDG progress and PRSP performance, which will link poverty monitoring more clearly with pro-poor policy reforms at the country level.

B. Linking growth to poverty reduction

4. The evaluation underscores the absence of a strong link between PRSP growth strategies and poverty-reduction policies. Many PRSPs lack practical policies for 'pro-poor growth'. The role of UNDP is to champion equity and human development as integral components of the growth strategies in both their domestic and international dimensions, as indicated in MDG No. 8.

5. National policy-makers are currently grappling with the challenge of achieving greater harmonization between the macro-economic policy framework contained in the PRSP and the strategy's overall poverty-reduction objectives. Related to this problem is the lack of a clear connection, in many PRSPs, between poverty diagnosis and policy recommendations. In this regard, one of the most valuable contributions UNDP could make would be to foster a participatory debate – at the national and sub-national levels – on the causes of poverty and the long-term development policies best suited to address them. Towards that end, UNDP could help promote a healthy national dialogue by offering a range of pro-poor policy options, based on substantive in-house capacity. Such support has already begun in connection with pro-poor economic policies in a regional programme in Asia and the Pacific and in national projects in the Caucasus and Central Asia and is being planned for other regions.

C. Linking democratic governance to poverty reduction

6. The evaluation suggests more strategic and systematic support to enhancing national ownership of the PRSPs by fostering a broad-based discussion of their contents. In some countries, donors still try to influence the PRSP process unduly. In many others, government ownership does not always imply national ownership. UNDP can facilitate relations between donors and lenders on the one hand, and the government and other national stakeholders on the other, to help promote better-coordinated external support that is more attuned to national priorities.

7. UNDP can help broaden support for the PRSP beyond the central executive branches of government to encourage the active participation of parliaments, local governments, private-sector associations, civil-society organizations and community-based groups. The evaluation indicates a weak correlation between the extent of participation and its impact on policy reforms – suggesting that participation is more often about format than about substance.

8. UNDP can play a concerted role in providing a platform for national dialogue on the PRSP and building the capacity of civil society to make a strong contribution to it. Such a dialogue – which is contentious by its very nature – would not always have to lead to a national consensus. The main objective would be to contribute to institutionalizing a broad-based, open, evidence-based and democratic dialogue and debate.

Conclusion

9. Management agrees with the central point of the evaluation that the "substantial and substantive role" of UNDP in the PRSP process should be enhanced. Already, the report on the multi-year funding framework indicates that UNDP is becoming more closely engaged. The number of country offices reporting on PRSP involvement has grown steadily from 11 in 1999 to 56 in 2002; and the nature of their engagement has evolved from participation to systematic poverty monitoring and pro-poor policy advice.